# Post-Hearing Questions for the Record Submitted to Debra Tomchek, Executive Director, Balanced Workforce Program Management Office, U.S. Department of Homeland Security From Senator Daniel K. Akaka

"Contractors: How much are they costing the government?"
March 29, 2012

1. There is a Government-wide shortage of acquisition professionals with the proper training to clearly define contract requirements and oversee them. Additionally, the Balanced Workforce Strategy requires collaboration between acquisition and human resources professionals. How has the Department of Homeland Security (DHS) made sure that its acquisition and human resources workforces have the training and tools needed to properly implement the Balanced Workforce Strategy?

Answer: Since the development of the Balanced Workforce Strategy (BWS) in mid-2010, DHS has utilized a variety of approaches to ensure that employees receive the education and support required to successfully implement the BWS. The comprehensive BWS education strategy has included instructional events/summits, training classes, guidance documents, and regular dialogue with Component employees via meetings and desk officer support.

### Instructional Events

DHS launched the BWS at a July 2010 educational event, which included statements from senior leadership and instruction on the BWS process for Component representatives from human capital, procurement, finance, legal, and program offices. The Department held two such "biannual" events in 2011, and each served as an opportunity to share guidance with Component employees and to field questions concerning the BWS. In 2011, the BWS Departmental Working Group (DWG) also hosted a costing forum, specifically designed to address Component challenges related to cost comparison analyses; subject matter experts from the Office of the Chief Financial Officer (OCFO) and the Office of the Chief Procurement Officer (OCPO) both spoke and fielded Component questions.

#### Training Classes

The Office of the Chief Human Capital Officer (OCHCO) has developed formal, in-person training classes on all three steps of the BWS process for reviewing existing service contracts: Identify the Work, Analyze the Work, and Implement the Sourcing Decision. Recently, additional content was added to the classes to address Component questions about the pilot requiring BWS analyses of new and re-competed functions. Between September 2010 and May 2012, DHS has held over 25 in-person training sessions, with over 225 Component representatives trained from human capital, procurement, finance, legal, and program offices. In addition, e-learning options have been piloted and are being implemented.

In collaboration with OCHO, OCPO updated its policies and procedures to implement the Office of Federal Procurement Policy (OFPP) Policy Letter 11-01, "Performance of Inherently

Governmental and Critical Functions" and emphasize the importance of maintaining a balanced workforce. To ensure members of the acquisition workforce fully understand the BWS and related OCPO policies and procedures, OCPO has trained over 500 members of the acquisition workforce between December 2011 and May 2012. Training is on-going.

#### Guidance Documents

To support all Component employees as they learn and implement the BWS, DHS created a comprehensive BWS guidance document, which is periodically updated to improve clarity and describe any process improvements; Version 2.0 was released in November 2011. The BWS guidance describes how to assess and make decisions regarding the balance and effective use of the federal and contractor resources, and the guidance includes appendices with forms, tools, and instructional information aimed to support the management of the BWS process at the Component level. Supplementary "User's Guide" documents with step-by-step instructions were also published for each of the three steps in the BWS process.

## Meetings and Desk Officer Interactions

Each DHS Operational and support Component has a BWS desk officer responsible for assisting its employees with BWS implementation. Desk officer support includes briefing Component staff on policies and procedures, supporting Component use of the BWS Tool, and fielding Component questions for resolution by DHS Headquarters.

DHS also holds bi-monthly meetings of the Balanced Workforce Executive Steering Group (ESG), comprised of senior leaders from the Management Directorate and representatives from Components, to discuss challenges and allow Components to provide input on the BWS.

- 2. You testified that the Balanced Workforce Strategy has been used to assess all contracts in place as of 2010, but is used to review only a handful of new contracts.
  - a. Why is there such limited use of the Balanced Workforce Strategy for new contracts?
  - b. Does DHS have plans to expand its pilot program?

Answer: In 2010, DHS launched the BWS with a pilot featuring a sample of 65 existing service contracts from DHS Components. This pilot approach allowed the Department to test procedures, surface lessons learned, and improve the existing contract review process prior to full-scale implementation.

The BWS process requiring review of new and re-competed functions will eventually be expanded to apply to all new service contracts. The decision was made to start requiring the BWS review of new and re-competed functions via a limited-scope pilot, during which Components could test procedures and identify process improvement opportunities. At the end of June 2012, the BWS Departmental Working Group will begin to conduct a thorough assessment of the pilot to determine lessons learned and consider broadening the scope to include additional functions.

While the BWS pilot underway currently applies to a limited number of functions, updates to Office of the Chief Procurement Officer policies and procedures require a separate Component review of all service contracts to ensure full compliance with the Federal Acquisition Regulations and the Office of Federal Procurement Policy Letter 11-01, "Performance of Inherently Governmental and Critical Functions." This parallel review process, which will be combined with the BWS process in the future, ensures that all new contracts are being appropriately assessed by the Department prior to procurement.

3. In his Plan for Economic Growth and Deficit Reduction, the President proposed a cap on contractor pay equal to the top of the Federal Executive Schedule –approximately \$200,000 per year. Under the current formula, taxpayers may have to pay up to \$700,000 for contractor employees. What are your thoughts on the President's proposal and should it be implemented?

Answer: The Administration's efforts to decrease the amount the government reimburses contractors for their compensation costs is an important step in strengthening fiscal accountability and improving our ability to contain procurement costs.